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No. 88-1397

In the Supreme Court of the United States

OCTOBER TERM, 1988

TELECTRONICS, INC. AND BGS MEDICAL, INC., PETITIONERS

v.

UNITED STATES OF AMERICA AND ZIMMER, INC.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR THE UNITED STATES IN OPPOSITION

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QUESTION PRESENTED

Whether, after the court of appeals construed the patent more broadly than the district court in this patent infringement suit, it should have remanded the case for a determination of whether the plaintiff's patent was invalid for obviousness.

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OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-38a) is reported at 857 F.2d 778. The opinion of the district court (Pet. App. 1d-60d) is reported at 658 F. Supp. 579.

JURISDICTION

The judgment of the court of appeals (Pet. App. 1c-2c) was entered on September 22, 1988, and a petition for rehearing (Pet. App. 1b-2b) was denied on November 23, 1988. The petition for a writ of certiorari was filed on February 21, 1989. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

The government brought this action against petitioners alleging that they were infringing its U.S. Patent No. 3,842,841 (the Brighton patent). The patent describes a device to expedite the healing of fractures and other bone defects by stimulating bone growth using a small amount of direct electrical current (Pet. App. 1d-3d). The Brighton patent resulted from work under a Navy contract by University of Pennsylvania employees, who assigned the patent to the government, which in turn granted respondent Zimmer, Inc. an exclusive license (Pet. App. 3a).

Zimmer and petitioner Telectronics manufacture the only direct current bone growth stimulators approved for use in the United States (Pet. App. 4d). In both the Zimmer and Telectronics devices, the cathode (*i.e.*, the negative electrode) is placed internally in the bone at the site of the fracture (Pet. App. 4d, 9d-10d). In the Zimmer device, the anode (*i.e.*, the positive electrode) and power pack are placed on the skin of the patient, but in the Telectronics device, the anode and power pack are implanted under the patient's skin (Pet. App. 9d-10d).

Following a trial, the district court held that the critical question was whether claim 1 of the Brighton patent[1] was

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[1] Claim 1 states (Pet. App. 7d-8d):

1. A system for expediting the healing of bone fractures and defects in a living being comprising:

constant current source means for providing a constant value of current despite changes in load;

means for connecting said constant current means to the living being, such connection acting to produce current flow into said fracture or defect,

said connecting means including further means for application internally of said living being at the fracture or defect site,

said constant current being a selected value within a predetermined microampere range so as to promote bone formation at the

limited to a bone growth stimulator having an anode positioned on the patient's skin (Pet. App. 10d). The district court concluded that the claim was so limited, because the final paragraph of claim 1 required the avoidance of fibrous tissue around the anode and the case of the stimulator (Pet. App. 12d). When the anode and case are implanted, as in the Telectronics device, fibrous tissue builds up to a thickness of about 1 millimeter (Pet. App. 10d, 35d). On this basis, the district court concluded that the Telectronics device did not infringe the Brighton patent (Pet. App. 12d).

The district court also held that the contested claims of the Brighton patent were valid under 35 U.S.C. 103 and 112.[2] In discussing validity under Section 103, which requires that the invention not have been obvious to one of ordinary skill in the applicable art, the court reviewed the prior art in light of the court's limitation of the patent claims to a device with an external anode (Pet. App. 41d-53d). Irrespective of this limitation, however, the court concluded that two features of the patent claims were not obvious: use of a self-adjusting constant current

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fracture or bone defect site and avoid fibrous tissue formation in other areas of the living being.

[2] Section 103 provides in relevant part:

> A patent may not be obtained * * * if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. * * *.

Section 112 provides in relevant part:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same * * *.

source and a cathode designed for placement in the fracture site (Pet. App. 47d-52d). The court also applied the external anode limitation in concluding that the claims were valid under Section 112, which requires that the patent's specifications be sufficiently full and clear "to enable any person skilled in the art * * * to make and use" the invention. 35 U.S.C. 112 (Pet. App. 34d-40d). Finally, the district court denied petitioners' claim for attorneys' fees (Pet. App. 58d-59d).

The government appealed the holding of noninfringement to the Federal Circuit. Petitioners cross-appealed only on whether the patent was invalid under Section 112 and on whether attorneys' fees should have been awarded (Pet. App. 2a).

The court of appeals reversed on the government's noninfringement appeal and affirmed on petitioners' cross-appeal issues (Pet. App. 1a-38a). The court held that "the plain meaning of the disputed language" in claim 1[3] "is only that current-related fibrous tissue formation is to be avoided" (Pet. App. 12a). As the court explained, "[n]othing in this language relates to fibrous tissue that may be formed from implantation of an anode" (*ibid.*). Finding the claim's literal meaning supported by other accepted aids for construing patent claims, such as the patent's specifications[4] and its prosecution history, the court held that the Brighton patent was sufficiently broad to cover anodes placed either on the skin or internally. The

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[3] Specifically, that language is "constant current being a selected value * * * so as to * * * avoid fibrous tissue formation * * * " (Pet. App. 8d).

[4] Although fibrous tissue can result either from a reaction to a foreign body or from the application of electrical current (Pet. App. 11d), the Brighton patent specification discusses only the increase or decrease in fibrous tissue that is formed with varying currents. The specification thus supports the plain meaning of the claim language at issue (Pet. App. 13a).

court accordingly concluded that the Telectronics device infringed that patent (Pet. App. 12a-27a).

The Federal Circuit then rejected petitioners' claim that the Brighton patent was invalid. The court held that the patent sufficiently described the invention to enable a person reasonably skilled in the art to make and use it as required by 35 U.S.C. 112 (Pet. App. 27a-38a). The court rejected petitioners' argument that the specifications were inadequate because they only described the range of electrical current for stainless steel electrodes, not for those of other metals (*ibid.*). In view of its holdings against petitioners on both infringement and validity, the court did not reach their claim for attorneys' fees (Pet. App. 38a).

ARGUMENT

The decision below is correct and, as petitioners concede (Pet. 18), does not conflict with the decision of any other circuit. Accordingly, further review of petitioners' fact specific claim is not warranted.

Petitioners contend (Pet. 13-15) that, after it had construed claim 1 more broadly than the district court, the Federal Circuit should have remanded the case for a new determination of whether the Brighton patent was invalid for obviousness.[5] There is a serious question as to whether

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[5] Petitioners also argue (Pet. 19-22) that the Federal Circuit did not address their claim that there was no infringement of the Brighton patent because the Telectronics device did not avoid the formation of fibrous tissue. The Federal Circuit, however, held that the "plain meaning of the disputed language [of claim 1 of the Brighton patent] is only that current-related fibrous tissue formation is to be avoided" (Pet. App. 12a). Thus, fibrous tissue formation caused by the implantation of the anode in the Telectronics device (see Pet. App. 11d) plainly cannot establish non-infringement. Moreover, petitioners not only failed to dispute on appeal the district court's statement that construction of claim 1 was the crucial issue regarding infringement, but

petitioners preserved the obviousness issue in the court of appeals and hence in this Court. While petitioners asserted in the district court that the Brighton patent was invalid both for obviousness under 35 U.S.C. 103 and for lack of enablement under 35 U.S.C. 112, in the Federal Circuit they argued only the enablement point, a point they do not raise in the petition. They expressly declined to brief the obviousness point. Cross-Appellants' Br. 10 & n.*. To be sure, their brief contained one sentence stating, "Should this Court reverse on the *non-infringement* ruling, then a remand would be necessary to allow the District Court to reconsider *validity* based on the prior art * * *." *Id.* at 10 (emphasis in original). Nowhere in their brief,[6] however, did petitioners attempt to demonstrate that the district court's finding on the obviousness issue should be different if claim 1 were construed more broadly to include both external and internal anodes. Absent extraordinary circumstances, which are not present here, this Court does not consider arguments that were not properly raised in the court of appeals. See *e.g.*, *EEOC* v. *FLRA*, 476 U.S. 19, 24 (1986); *Neely* v. *Eby Constr. Co.*, 386 U.S. 317, 330 (1967).

In any event, petitioners' claim is without merit. As the district court recognized, there are two principal differences between the invention claimed in the Brighton patent and the prior art: the use of self-adjusting circuitry to maintain a constant current and the use of a cathode de-

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they even conceded that the infringement issue "revolve[d] around" whether the claims were limited to a device with an external anode. Cross-Appellants' Br. 7.

[6] Petitioners did attempt to develop such an argument in their petition for rehearing, but the court below acted within its discretion by refusing to consider a new argument raised only after its decision. See *Marion Steam Shovel Co.* v. *Bertino*, 82 F.2d 945 (8th Cir.), cert. denied, 299 U.S. 556 (1936).

signed for placement in the fracture site (Pet. App. 47d-52d). Neither distinction is at all relevant to whether the anode is external or internal. Thus, the Federal Circuit's disagreement with the district court as to whether claim 1 covered both placements of the anode provided no basis for remanding for a redetermination of the district court's obviousness determination.[7]

Also without merit is petitioners' claim (Pet. 15-18) that the failure of the Federal Circuit to remand conflicts with its earlier decision in *Perkin-Elmer Corp.* v. *Westinghouse Elec. Corp.*, 822 F.2d 1528 (1987).[8] The dictum in *Perkin-Elmer* on which petitioners rely reflects simply that panel's reaction to the particular facts before it.[9] When Perkin-Elmer sued Westinghouse for patent infringement, Westinghouse conceded that the patent was valid if narrowly construed. So construed, the district court held that the patent was valid but not infringed. On Perkin-Elmer's

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[7] This Court discussed the obviousness standard in *Graham* v. *John Deere Co.*, 383 U.S. 1 (1966). It recognized that "[w]hile the ultimate question of patent validity is one of law," the obviousness determination "lends itself to several basic factual inquiries," *i.e.*, "the scope and content of the prior art," "differences between the prior art and the claims at issue," and "the level of ordinary skill in the pertinent art" (*id.* at 17). See also *Dennison Mfg. Co.* v. *Panduit Corp.*, 475 U.S. 809 (1986).

[8] Congress established the Federal Circuit as the court of appeals having exclusive jurisdiction to resolve patent issues of the kind presented here. 28 U.S.C. 1295(a)(1). Contrary to petitioners' suggestion (Pet. 18), this fact does not justify a departure from this Court's usual rule that intra-circuit conflicts are for the circuit involved, not this Court, to resolve. *Wisniewski* v. *United States*, 353 U.S. 901, 902 (1957).

[9] The fact that, as petitioners observe (Pet. 16-17), two of the judges on the instant panel also served on the *Perkin-Elmer* panel strongly supports this conclusion, rather than petitioners' assumption (Pet. 17) that they "decided to simply ignore their own precedent."

appeal, the Federal Circuit affirmed the finding of non-infringement, which was the only issue on the appeal. The court then stated that it was unnecessary for it to review the district court's interpretation of the patent claims. It commented in passing that if it had done so and reversed, it would remand; the "[v]alidity of the properly construed claim would be a potential issue on such a remand." *Id.* at 1530 n.4. Even assuming that the obiter dicta in *Perkin-Elmer* should be given the weight of a holding, that was not a case like the instant one, in which the district court had already found differences between the prior art and the invention that were distinct from the disputed construction of the claim.

In any event, *SmithKline Diagnostics, Inc.* v. *Helena Laboratories Corp.*, 859 F.2d 878 (1988), refutes petitioners' claim that the *Perkin-Elmer* dictum expresses a general Federal Circuit practice requiring a remand for the consideration of obviousness. In *SmithKline Diagnostics,* the Federal Circuit construed a disputed claim more broadly than the district court. It then reviewed the obviousness issue and affirmed the holding of validity based, as here, upon the district court's factual findings which led to a legal conclusion of nonobviousness. *Id.* at 886.

CONCLUSION

The petition for a writ of certiorari should be denied.
Respectfully submitted.

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